# CHAPTER 13

## PAYMENTS POLICY

Section	Subject				
1.1	Network Provider Reimbursement				
1.2	Allowable Charges - Non-Network Providers				
1.3	Allowable Charges - CHAMPUS Maximum Allowable Charges (CMAC)				
1.4	Rebundling Of Procedure Codes				
2.1	Reimbursement In Teaching Setting				
2.2	National Health Service Corps Physicians Of The Public Health Service				
2.5	Reimbursement Of Physician Assistants				
2.6	Reimbursement Of Covered Services Provided By Individual Health-Care Professionals And Other Non-Institutional Health-Care Providers				
2.7	Economic Interest In Connection With Mental Health Admissions				
3.1	Anesthesia				
3.1A	Postoperative Pain Management				
3.2	Durable Medical Equipment Claims: Basic Program				
3.3	Oxygen And Related Supplies				
3.4	Laboratory Services				
3.5	Ambulance Services				
3.6	Legend Drugs And Insulin				
3.7	Surgery				
3.7A	Assistant Surgeons				
3.8	Professional Services: Obstetrical Care				
3.9	Birthing Center Reimbursement				
3.10	Skilled Nursing Services				
4.1	Individual Consideration Cases				
4.2	Charges For Provider Administrative Expenses				
4.4	Payment For Professional/Technical Components Of Diagnostic Services				
5.1	State Agency Billing				

i

Section	Subject				
5.1	Addendum 1 - Figures				
	Figure 13-5.1-1-1- Sample State Agency Billing Agreement				
6.1A	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (General)				
6.1B	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (General Description Of System)				
6.1C	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Basis Of Payment)				
6.1D	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Applicability Of The DRG System)				
6.1E	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Determination Of Payment Amounts)				
6.1F	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (DRG Weighting Factors)				
6.1G	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Adjusted Standardized Amounts)				
6.1H	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Adjustments To Payment Amounts)				
6.1I	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Information Provided By TMA)				
6.1J	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Charges To Beneficiaries)				
6.2	Hospital Reimbursement - Billed Charges Set Rates				
6.3	Hospital Reimbursement - Other Than Billed Charges				
6.4	Hospital Reimbursement - Payment When Only SNF Level Of Care Is Required				
6.5	Hospital Reimbursement - TRICARE/CHAMPUS Inpatient Mental Health Per Diem Payment System				
6.7	Psychiatric Partial Hospitalization Program Reimbursement				
6.8	Substance Use Disorder Rehabilitation Facilities Reimbursement				
6.9	Hospital Reimbursement - Outpatient Services				
7.1	Skilled Nursing Facility (SNF) Reimbursement				
8.1	Residential Treatment Center (RTC) Reimbursement				
9.1	Ambulatory Surgical Center Reimbursement				
9.1	Addendum 1, Section 1 - TRICARE-Approved Ambulatory Surgery Procedures - Integumentary System				

Section	Subject
9.1	Addendum 1, Section 2 - TRICARE-Approved Ambulatory Surgery Procedures - Musculoskeletal System
9.1	Addendum 1, Section 3 - TRICARE-Approved Ambulatory Surgery Procedures - Musculoskeletal System (Continued)
9.1	Addendum 1, Section 4 - TRICARE-Approved Ambulatory Surgery Procedures - Respiratory System
9.1	Addendum 1, Section 5 - TRICARE-Approved Ambulatory Surgery Procedures - Cardiovascular System
9.1	Addendum 1, Section 6 - TRICARE-Approved Ambulatory Surgery Procedures - Hemic And Lymphatic System
9.1	Addendum 1, Section 7 - TRICARE-Approved Ambulatory Surgery Procedures - Digestive System
9.1	Addendum 1, Section 8 - TRICARE-Approved Ambulatory Surgery Procedures - Urinary System
9.1	Addendum 1, Section 9 - TRICARE-Approved Ambulatory Surgery Procedures - Male Genital System
9.1	Addendum 1, Section 10 - TRICARE-Approved Ambulatory Surgery Procedures - Female Genital System
9.1	Addendum 1, Section 11 - TRICARE-Approved Ambulatory Surgery Procedures - Endocrine System
9.1	Addendum 1, Section 12 - TRICARE-Approved Ambulatory Surgery Procedures - Nervous System
9.1	Addendum 1, Section 13 - TRICARE-Approved Ambulatory Surgery Procedures - Extracranial Nerves, Peripheral Nerves, And Autonomic Nervous System
9.1	Addendum 1, Section 14 - TRICARE-Approved Ambulatory Surgery Procedures - Eye And Ocular Adnexa
9.1	Addendum 1, Section 15 - TRICARE-Approved Ambulatory Surgery Procedures - Auditory System
10.1	Preferred Provider Organization (PPO) Reimbursement
11.1	Cost-Shares And Deductibles
11.1	Table 1 - Benefits And Beneficiary Payments Under The TRICARE Program
12.1	Double Coverage
14.1	Catastrophic Loss Protection
16.1	Waiver Of Liability
16.1	Addendum 1 - Waiver Of Liability - Initial Denial Determinations

Section	Subject					
16.1	Addendum 2 - Waiver Of Liability - MCS Contractor Reconsideration Determinations					
16.1	Addendum 3 - Waiver Of Liability - NQMC Reconsideration Determinations					
18.1	Accommodation Of Discounts Under Provider Reimbursement Methods					
20.1	Legal Obligation To Pay					
22.1A	Hospice Reimbursement - General Overview					
22.1B	Hospice Reimbursement - Coverage/Benefits					
22.1C	Hospice Reimbursement - Conditions For Coverage					
22.1D	Hospice Reimbursement - Guidelines For Payment Of Designated Levels Of Care					
24.1	Reduction Of Payment For Noncompliance With Utilization Review Requirements					
25.1	Supplemental Insurance					
26.1	Point Of Service Option					
27.1	Reimbursement Of Emergency Inpatient Admissions To Unauthorized Facilities					
	Addendum 1 - Health Benefit Program Agreement					
	Addendum 2, Table 1 (FY 2000) - Fiscal Year 2000 TRICARE/CHAMPUS Adjusted Standardized Amounts					
	Addendum 2, Table 2 (FY 2000) - Diagnosis Related Groups (DRGs), DRG Relative Weights, Arithmethic And Geometric Mean Lengths-Of-Stay, And Short-Stay Outlier Thresholds (Effective For Admissions On Or After $10/01/99$ )					
	Addendum 2, Table 3 (FY 2000) - Wage Index For Urban And Rural Areas - Effective For Admissions On Or After $10/01/99$					
	Addendum 2, Table 4 (FY 2000) - Wage Index For Hospitals That Are Reclassified - Effective For Admissions On Or After $10/01/99$					
	Addendum 2, Table 1 (FY 2001) - Fiscal Year 2001 TRICARE/CHAMPUS Adjusted Standardized Amounts					
	Addendum 2, Table 2 (FY 2001) - Diagnosis Related Groups (DRGs), DRG Relative Weights, Arithmethic And Geometric Mean Lengths-Of-Stay, And Short-Stay Outlier Thresholds (Effective For Admissions On Or After $10/01/00$ )					
	Addendum 2, Table 3 (FY 2001) - Wage Index For Urban And Rural Areas - Effective For Admissions On Or After $10/01/00$					
	Addendum 2, Table 4 (FY 2001) - Wage Index For Hospitals That Are Reclassified - Effective For Admissions On Or After $10/01/00$					

Addendum 2, Table 1 (FY 2002) - Fiscal Year 2002 TRICARE/CHAMPUS Adjusted Standardized Amounts

Addendum 2, Table 2 (FY 2002) - Diagnosis Related Groups (DRGs), DRG Relative Weights, Arithmethic And Geometric Mean Lengths-Of-Stay, And Short-Stay Outlier Thresholds (Effective For Admissions On Or After 10/01/01)

Addendum 2, Table 3 (FY 2002) - Wage Index For Urban And Rural Areas - Effective For Admissions On Or After 10/01/01

Addendum 2, Table 4 (FY 2002) - Wage Index For Hospitals That Are Reclassified - Effective For Admissions On Or After 10/01/01

Addendum 3 - Table Of Maximum Rates For Partial Hospitalization Programs (FY 2001 - 2002)

Addendum 4, Table 1 (FY 2000) - Fiscal Year 2000 Rates For Hospice Care

Addendum 4, Table 2 (FY 2000) - Hospice Rate Information - FY 2000 Hospice Wage Indexes For Urban Areas

Addendum 4, Table 3 (FY 2000) - Hospice Rate Information - FY 2000 Hospice Wage Indexes For Rural Areas

Addendum 4, Table 1 (FY 2001) - Fiscal Year 2001 Rates For Hospice Care

Addendum 4, Table 2 (FY 2001) - Hospice Rate Information - FY 2001 Hospice Wage Indexes For Urban Areas

Addendum 4, Table 3 (FY 2001) - Hospice Rate Information - FY 2001 Hospice Wage Indexes For Rural Areas

Addendum 4, Table 1 (FY 2002) - Fiscal Year 2002 Rates For Hospice Care

Addendum 4, Table 2 (FY 2002) - Hospice Rate Information - FY 2002 Hospice Wage Indexes For Urban Areas

Addendum 4, Table 3 (FY 2002) - Hospice Rate Information - FY 2002 Hospice Wage Indexes For Rural Areas

Addendum 4, Exhibit 1 - Participation Agreement For Hospice Program Services For TRICARE/CHAMPUS Beneficiaries

Artic	cle 1 - Recitals
1.1	Identification of Parties
	Authority for Hospice Care

1.3 1.4	Intent of Participation Agreement			
Article 2 - Performance Provisions				
2.1	General Agreement			
2.2	Coverage/Benefits2			
2.3	Conditions For Coverage			
2.4	Certification Requirements			
2.5	Quality of Care			
2.6	Billing Form4			
2.7	Compliance With TMA Medical Review Activities 4			
2.8	Staff Qualifications			
Δρτια	cle 3 - Payment Provisions			
3.5	TRICARE/CHAMPUS As Secondary Payor			
3.6	Collection Of Cost-Share			
3.7	Beneficiary's Rights			
3.7	Deficition y 5 regites			
ARTIC	cle 4 - Records And Audit Provisions			
4.1	On-site And Off-site Reviews/Audits7			
4.2	Right To Unannounced Inspection Of Records8			
4.3	Certified Cost Reports			
4.4	Records Requested by TMA 8			
4.5	Failure to Comply			
Λ p.τ.	OLE E. CENEDAL ACCOUNTING OFFICE			
	CLE 5 - GENERAL ACCOUNTING OFFICE			
5.1	Right To Conduct Audit			
Artio	CLE 6 - TERMINATION AND AMENDMENT			
6.1	Termination Of Agreement By TMA			
6.2	Termination Of Agreement By The Hospice Program9			
6.3	Amendment By TMA			
Λ				
	CLE 7 - CHANGE OF OWNERSHIP			
7.1	Change Of Ownership			
Artic	CLE 8 - Appeals			
8.1	Appeal Actions			
	CLE 9 - RECOUPMENT			
9.1	Recoupment			
Д рти	CLE 10 - NONDISCRIMINATION			
	Nondiscrimination 11			

SECTION	Subject				
	Article 11 - Order Of Precedence 11.1 Order Of Precedence				
	Article 12 - Duration 12.1 Duration				
	Article 13 - Effective Date  13.1 Date Signed				
	Article 14 - Authorized Provider  14.1 Date Recognized				
	Addendum 5, Exhibit 1 - Participation Agreement For Substance Use Disorder Rehabilitation Facility (SUDRF) Services For TRICARE/CHAMPUS Beneficiaries				
	ARTICLE 1 - RECITALS  1.1 Identification Of Parties				
	1.3 Purpose Of Participation Agreement1				
	ARTICLE 2 - DEFINITIONS  2.1 Authorized TMA Representatives				
	ARTICLE 3 - PERFORMANCE PROVISIONS 3.1 General Agreement				
	ARTICLE 4 - PAYMENT PROVISIONS 4.1 Rate Structure: Determination Of Rate				
	4.4 Other Payment Requirements				

4.7	TRICARE/CHAMPUS As Secondary Payor9				
4.8					
4.9	Beneficiary's Rights				
ARTICLE 5 - RECORDS AND AUDIT PROVISIONS					
5.1	On-Site And Off-Site Reviews/Audits9				
5.2	Right To Unannounced Inspection Of Records 10				
5.3	Certified Cost Reports				
5.4	Records Requested By TMA				
5.5	Failure to Comply				
Л рти	cle 6 - Nondiscrimination				
6.1	Nondiscrimination11				
0.1	Nondiscrimination11				
ARTI	CLE 7 - AMENDMENT				
7.1	Amendment By TMA11				
Л ртіл	cle 8 - Change Of Ownership				
8.1	Assignment Barred11				
8.2	Agreement Ends				
8.3	New Agreement Required				
0.0	Two rigition in required				
ARTI	cle 9 - Reports				
9.1	Incident Reports				
9.2	Disaster Or Emergency Reports				
9.3	Reports Of SUDRF Changes				
Л рти	cle 10 - General Accounting Office				
	Right To Conduct Audit14				
10.1	right 10 Conduct Addit				
ARTI	CLE 11 - Appeals				
11.1	Appeal Actions14				
	cle 12 - Termination				
	Procedure For Termination Of Agreement By TMA				
12.1					
12.2	The state of the s				
12.0	Termination of Agreement by The Bobber				
ARTI	CLE 13 - RECOUPMENT				
	Recoupment				
	•				
	cle 14 - Order Of Precedence				
1/1	Order Of Precedence 16				

SECTION	Subject				
	Arti	cle 15 - Duration			
		Duration16			
	15.2	Reapplication16			
	ARTI	cle 16 - Effective Date			
	16.1	Effective Date			
		cle 17 - Authorized Provider			
	17.1	TRICARE/CHAMPUS-Provider Status17			
	Addendum 5, Exhibit 2 - TRICARE/CHAMPUS Standards For Inpatient Rehabilitation And Partial Hospitalization For The Treatment Of Substance Use Disorders (SUDRFs)				
	I.	Organization And Administration1			
	II.	Treatment Services			
	III.	Physical Plant and Environment29			
	IV.	Evaluation System			
	Addendum 6, Exhibit 1 - Participation Agreement For Residential Treatment Center (RTC)				
	Arti	cle 1 - Recitals			
	1.1	Identification Of Parties1			
	1.2	Authority For Residential Treatment Center Care1			
	1.3	Purpose Of Participation Agreement			
	ARTI	cle 2 - Definitions			
	2.1	Authorized TMA Representatives1			
	2.2	Billing Number1			
	2.3	Admission And Discharge1			
	2.4	Mental Disorder2			
	2.5	Residential Treatment Center			
	2.6	Therapeutic Absence			
	Article 3 - Performance Provisions				
	3.1	General Agreement3			
	3.2	Limit On Rate Billed3			
	3.3	Accreditation And Standards3			
	3.4	Quality Of Care5			
	3.5	Billing Form5			
	3.6	Compliance With TMA Utilization Review Activities5			
	3.7	Professional Staff Organization6			
	3.8	Professional Staff Qualifications 6			

ARTICLE 4 - PAYMENT PROVISIONS				
4.1 Rate Structure: Determination Of Rate	6			
4.2 Rtc Services Included In Per Diem Payment	7			
4.3 Other Payment Requirements				
4.4 Prerequisites For Payment				
4.5 TRICARE/CHAMPUS-Determined Rate As Payment In Full				
4.6 TRICARE/CHAMPUS As Secondary Payor				
4.7 Collection Of Cost Share				
4.8 Beneficiary's Rights 1				
Article 5 - Educational Costs				
5.1 Reimbursement Of Educational Services 1	0			
5.2 Exclusion From Per Diem Rate	0			
5.3 Accounting Requirements	0			
Article 6 - Records And Audit Provisions				
6.1 On-site And Off-Site Reviews/Audits 1				
6.2 Right To Unannounced Inspection Of Records 1	1			
6.3 Certified Cost Reports				
6.4 Records Requested By TMA 1				
6.5 Failure To Comply	2			
r J				
A 7 N				
ARTICLE 7 - NONDISCRIMINATION	•			
Article 7 - Nondiscrimination 7.1 Nondiscrimination	2			
7.1 Nondiscrimination	2			
7.1 Nondiscrimination				
7.1 Nondiscrimination				
7.1 Nondiscrimination				
7.1 Nondiscrimination	.2			
7.1 Nondiscrimination	.2			
7.1 Nondiscrimination	.2			
7.1 Nondiscrimination	.2			
7.1 Nondiscrimination	.2			
7.1 Nondiscrimination	.2			
7.1 Nondiscrimination	.2			
7.1 Nondiscrimination	.2 .3 .3 .3			
7.1 Nondiscrimination	.2 .3 .3 .3			
7.1 Nondiscrimination	.2 .3 .3 .3			
7.1 Nondiscrimination	.2 .3 .3 .3 .4 .4			
7.1 Nondiscrimination	.2 .3 .3 .3 .4 .4			
7.1 Nondiscrimination	.2 .3 .3 .3 .4 .4			

13.2 Basis Fo	TERMINATION ure For Termination Of The Agreement By TMA
Article 14 - F 14.1 Recoup	RECOUPMENT 17
	Order Of Precedence 17
	DURATION  17 ication 17
	EFFECTIVE DATE re Date
	AUTHORIZED PROVIDER RE/CHAMPUS-Provider Status18
	r (RTC) Per Diem Rates
A. Data Co	ollection Form1
	istrative Support1
	And Analysis Of Submitted Information
	ar Calculations
	nent Of Base Year Rate5
F. Calcula	tion Of Rtc Per Diem Rate7